

ER  
ER 6-2806

6 April 1961

STAT  
Mr. Jim G. Lucas

Dear Mr. Lucas:

I read with interest and enjoyment your piece of March 16 on the "Spy Palace".

From the outset I have recognized that the "Spy Palace" could not be concealed from the public eye. My main objective shall be to keep "under cover" certain of the things that go on within it. In my business I have found that one wastes a deal of time in trying to conceal the unconcealable to the detriment of preserving the security of what little should be kept from the ingenuity and acumen of those in your profession. That little, I feel sure, your profession would not wish to publicize anyway.

In writing you, I am not doing so in any spirit of criticism of your article as I thoroughly enjoyed it, but merely to point out that on one point you were in slight error, as the attached somewhat dull memorandum and documents will disclose.

We obtained our funds for the building just as anyone proceeding to build any Government building would do. I appeared before open hearings of the appropriate Congressional committees. We obtained first an authorization and then an appropriation in a public and open manner. I joined in selecting architects in the normal manner from a list provided by GSA and have worked closely with them throughout in connection with the filing of specifications, receiving of sealed bids and awarding the work to the lowest bidder.

I certainly do not suggest that you read the enclosures with this note because you have much more interesting and profitable things to read, but I merely pass them on for your files and posterity.

When the "Spy Palace" is completed, I hope to welcome you there and this, I trust, will take place before the year end.

Sincerely,

**SIGNED**

Allen W. Dulles  
Director

Enclosures

O/DCI/AWD/jl

**Distribution:**

- 1 - Addressee (Orig.)
- 1 - DCI
- 1 - DDCI
- 1 - ER
- 1 - Col. Grogan
- 1 - OGC
- 1 - DD/S chrono
- 1 - DD/S subject

## MEMORANDUM

The first enclosure is Title IV, Section 401, Public Law 161, 84th Congress. This is the congressional authorization required in connection with construction of buildings of this nature prior to obtaining appropriations therefor, and the bill was approved on 15 July 1955. The second enclosure is that portion of Chapter III, Public Law 219, 84th Congress which relates to the Central Intelligence Agency and appropriates \$5,500,000 for the preparation of detailed plans and specifications of the headquarters installation. This provision was in the Supplemental Appropriation Act, approved 4 August 1955. The third enclosure is that portion of Chapter III, Public Law 814, 84th Congress which pertains to the Central Intelligence Agency and which appropriates the further \$49,000,000 for the preparation of detailed plans and specifications and the construction of the Agency headquarters installation as authorized by the Act of 15 July 1955. This bill was for the purpose of making supplemental appropriations and was approved 27 July 1956.

The authorization noted above and the two appropriations which complete the funding for the building were presented to the Congress in the normal fashion through the Bureau of the Budget and were prefaced by regular open committee hearings and committee reports. These reports were readily available. Since obtaining the authorization and the funds, there has been the closest cooperation between the Agency and the General Services Administration in the preparation of plans and specifications. The contracts were advertised and plans distributed to bidders in the normal fashion by the General Services Administration, followed by public review of the bids and an award to the lowest bidder. The General Services Administration has administered these contracts in close cooperation with the Agency and will be the custodian of the building.

Steps outlined above are those normal in the Government for construction of buildings of this type.

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

<input type="checkbox"/> UNCLASSIFIED	<input type="checkbox"/> CONFIDENTIAL	<input type="checkbox"/> SECRET
---------------------------------------	---------------------------------------	---------------------------------

**CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP**

TO	NAME AND ADDRESS	INITIALS	DATE
1	Col Grogan, East Bldg		APR 10 REC'D
2			
3			
4			
5			
6			

<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> COMMENT	<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE

**Remarks:**

Stan: DCI says if you approve of the letter he has dictated to Mr. Lucas, it can be sent along. If you have serious objections, please return it with your comments.

*OK*  
*AJG*

STAT

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.	DATE
[Redacted] Lst. to the DCI	APR 1961


31 March 1961

MEMORANDUM FOR THE DIRECTOR:

1. I concur in the recommendation that the DCI not sign this letter to Jim Lucas. I would think it better that it be signed by Col. White, who is in charge of construction, or that I sign it. Lucas, who is the military and foreign aid specialist for the Scripps-Howard papers, has many accurate statements in this article which he obviously received from GSA. While he should be set straight, as the attached letter does, I am afraid that, if the Director signs it, you will likely cause him to show the letter around charging you with being thin-skinned, even though that is not so. I think it would be better if a subordinate signed it.

2. The clipping that you are quoting from, is not the complete story as released by Scripps-Howard. The full Scripps-Howard story by Lucas is attached hereto, marked "Tab A."

3. It might be a good idea to have Lucas come by and have a talk with Col. White and me regarding the story, which is based on GSA data.

  
STANLEY J. GROGAN  
Assistant to the Director

Attachment

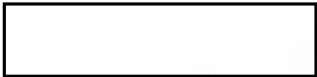
STAT

MEMORANDUM FOR: MR. DULLES

In accordance with your request, Larry Houston and I have drafted the attached letter to Jim Lucas transmitting the documents concerning our building legislation.

This has been prepared as you wished for your signature, but we both feel it would be better to have it go out in somebody else's name --

STAT Larry's, for example.

  
H. Gates Lloyd  
Assistant Deputy Director  
(Support)  
30 March 1961  
(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

(47)

TRANSMITTAL SLIP		DATE 30 March 1961
TO: Colonel Grogan		
ROOM NO. 11	BUILDING East	
REMARKS:  Stan - Here is the Lucas letter I spoke to you about - HK		
FROM: H. Gates Lloyd		
ROOM NO. 124	BUILDING East	EXTENSION STAT

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)

ILLEGIB

Approved For Release 2002/08/23 : CIA-RDP80B01676R003500150051-4

Approved For Release 2002/08/23 : CIA-RDP80B01676R003500150051-4



Sincerely,

Allen W. Dallas  
Director

Enclosures: 3

Distribution:

Orig & 1 - Addressee

1 - DCI

1 - DDCI

✓ 1 - ER

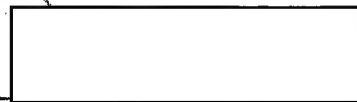
1 - Col. Grogan

1 - OGC

1 - DD/S chrono

1 - DD/S subject (w/held)

CONCUR:



H. Gates Lloyd  
Assistant Deputy Director  
(Support)

30/Jan/61  
Date

STA